

TESTIMONY – 2/26/2015

Fran Pastore, CEO, Women's Business Development Council

Proposed Bill No. 542, LCO No 2330, Referred to Committee on Commerce

Introduced by: SEN. BARTOLOMEO, 13TH Dist., SEN FLEXER, 29TH Dist.

**AN ACT CONCERNING A LIAISON FOR MINORITY BUSINESS ENTERPRISES,
WOMEN'S BUSINESS ENTERPRISES AND DIVERSITY BUSINESS ENTERPRISES.**

Good Morning Senator Hartley, Representative Perrone, Senator Franz, Representative Camillo and esteemed members of the Commerce Committee. It is an honor to speak before you today. My name is Fran Pastore and I am the Founder and CEO of the Women's Business Development Council. I have been actively engaged in the women-owned business movement for more than 20 years in Connecticut and in Washington DC. I served for three years as a member of President Obama's National Women's Business Council and I have a long history of working with Connecticut's Department of Economic and Community Development. I am here today to support Proposed Bill No. 542, LCO No. 2330 - AN ACT CONCERNING A LIAISON FOR MINORITY BUSINESS ENTERPRISES, WOMEN'S BUSINESS ENTERPRISES AND DIVERSITY BUSINESS ENTERPRISES.

As this committee already knows, small businesses and entrepreneurs are the backbone of America's economy, creating 65 percent or more of new jobs in our country each year. In fact, women owned small businesses are expected to create almost 60 percent of projected 18 million new jobs to be created by 2018. But small businesses owned and operated by women, minorities and other diverse populations have also

been disproportionately affected by the worst recession since the Great Depression. While many believe this economic downturn is behind us, for many entrepreneurs and small business owners, it is not. In order for Connecticut's economy to fully recover we must deploy Connecticut's existing assets to women and minority owned businesses in a strategic approach.

There is a distinct need for a liaison position within the Department of Economic and Community Development (DECD) to perform state-wide outreach to owners of minority business enterprises, women's business enterprises and other diverse business enterprises to assist owners of such business enterprises with the establishment and growth of their businesses. This function could enhance existing programs currently funded or already in partnership with DECD such as the Women's Business Development Council (WBDC) which exists to assist owners of such business enterprises with the development, sustainability and growth of their businesses by providing small business training and education to them. Specifically, there is a need among Connecticut's micro entrepreneurs, those businesses with less than five employees, to develop business plans, marketing plans, and to access capital and government contracts. It is not a secret that the latter two mentions, accessing capital and accessing government contracts, are challenges to women and minority owned businesses.

My goal is to explain how a liaison position within DECD can leverage the services of existing organizations and deploy DECD's assets with a streamlined and effective approach. Thus, improving the ROI for the state, supporting entrepreneurs and existing

small businesses with complete wrap around training and education services and ultimately stimulating the economy and creating jobs in our state.

There already exists in Connecticut numerous programs and services funded by DECD. Many, like WBDC, focus on specific populations—in the case of WBDC the focus is women and minorities, and specific services—for WBDC it is accessing capital and accessing markets. The very successful Small Business Express Program is a good example to illustrate how a liaison position focused exclusively on businesses owned by women, minorities and other diverse populations could leverage the state's resources.

While the program has achieved great success, only 14% of the participants have been women owned businesses and just 8% minority owned. We can do better. An outreach position that coordinates the efforts of existing programs like WBDC with the other resource partners who focus on the targeted populations, we could develop a grass roots approach to achieve a more desirable result—placing much needed capital into the hands of those who need it most.

Under the guidance and direction of the liaison, an aggressive and well-coordinated penetration and outreach plan can be developed among existing DECD resource partners. The target populations would benefit not only from the exposure to the SBE program but these resource partners will be able to offer technical assistance to assist the targeted population in overcoming the obstacles they face to potentially secure SBE funds and help them further develop and grow their businesses through extensive and hands on technical assistance. These existing resource partners provide an abundance

of services that all businesses need and those which are called for in this bill such as access to markets. Furthermore, with regard to compliance, many of these resource partners already have in place the infrastructure to track and follow these businesses to determine Connecticut's ROI.

A quick snapshot of the reach WBDC has had in Connecticut will illustrate how quickly this new liaison position can expedite its outreach. In the past 18 years WBDC has provided small business training to over 12,000 clients from each of the 169 towns throughout the state. In the past 18 months, WBDC's loan packaging experts have seen more than 100 prospective SBE clients, and closed on nearly \$2M in SBE funds to women business owners. Think what can be done with a strong partner in place at DECD focused on this important and critical market. In 2014 WBDC helped its clients create more than 300 jobs and generate over \$32M in gross revenues.

I believe it is imperative to coordinate efforts to reach these critical and underserved populations. It cannot be overstated that the need to enhance efforts and coordinate them, including making sure all entrepreneurs and business owners in the specified populations are aware of the tools available to help them create jobs, grow their businesses and succeed.

This concludes my prepared statement. Thank you for your commitment to Connecticut's Small Businesses and for giving me the opportunity to speak to you today. I would be pleased to answer your questions.